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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91201703
Party	Plaintiff Michael Brandt Family Trust d/b/a Eco-Safe Industries, Inc.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

_____	)	
MICHAEL BRANDT FAMILY TRUST	)	
d/b/a ECO-SAFE OF DALLAS,	)	
	)	Opposition No. 91201703
Opposer,	)	
	)	Application Ser. No. 77/960,950
v.	)	
	)	
ISTITUTO ITALIANO SICUREZZA	)	
DEI GIOCATTOLE S.R.L.,	)	
	)	
Applicant.	)	
_____	)	

**OPPOSER'S REPLY BRIEF IN SUPPORT OF  
MOTION FOR JUDGMENT ON THE PLEADINGS**

Opposer, Michael Brandt Family Trust, through its attorneys, submits this Reply Brief in support of its Motion for Judgment on the Pleadings and in response to Applicant's Memorandum in Opposition filed and served on September 6, 2013.

**I. Applicant Does Not Deny Its Application is Void**

At the outset, on no occasion within its Memorandum in Opposition or in any of its Briefs filed September 6, 2013 does Applicant contest its legal admissions that its application should be declared void. At no point does Applicant deny or challenge the admitted fact it had no bona fide intent to use the mark for the goods and services listed in its application. These critical and crucial admissions by Applicant effectively constitute an abandonment of its application and/or a consent to judgment against it. The entire statutory basis for its pending

application has been eviscerated by Applicant's own legal admissions. Applicant has literally "popped its own balloon."

Consequently, the opposition should be immediately sustained in favor of Opposer. Applicant's legal admissions are no different in effect than had Applicant filed for an express abandonment of its application, withdrew it or filed a written consent to judgment. In the absence of Opposer's consent, judgment is entered against Applicant. 37 C.F.R. § 2.135. See, e.g., *Grinnell Corp. v. Grinnell Concrete Pavingstones, Inc.*, 14 USPQ 2d 2065, 2067 (TTAB 1990), where the TTAB ruled that consent is required for abandonment without prejudice regardless of the motivation for abandonment, i.e., a concession by Applicant that it was not the owner of the mark. See also TMBP § 604.

## **II. The Proceedings Are "Closed" Provided the Opposer's Motion to Dismiss is Granted**

Applicant's primary argument is that Opposer's Motion for Judgment on the Pleadings is untimely. It is Applicant's position that the pleadings have not closed under Rule 7 of the F. R. Civ. P. because Applicant has filed a counterclaim -- a counterclaim to which Opposer concurrently filed a Motion to Dismiss under Rule 12 of the F. R. Civ. P.

While Applicant's arguments are technically true, the Rule is not automatic. Application of Rule 7 is not automatic when the responding party, as here, concurrently moves under Rule 12(b)(6) to dismiss the counterclaim in lieu of filing an answer. Under such a scenario, the issue depends on whether the Motion to Dismiss is granted or not.

The controlling decision is *Edelman v. Locker*, 6 F.R.D. 272 (E. D. PA 1946). *Edelman* presented the exact situation presented in this case at hand. The plaintiff filed both a Motion for Judgment on the Pleadings and a Motion to Dismiss the Counterclaim. In denying the Motion to

Dismiss, the court held the Motion for Judgment on the Pleadings to be untimely because the pleadings had not closed. In doing so, the court noted that the result would be different had plaintiff's motion to dismiss been granted. As stated:

“It thus appears that under the provision of Rule 12(c), plaintiff's motion for judgment on the pleadings is premature and should not be considered at this time. Defendant's answer includes a counterclaim denominated as such to which plaintiff has filed no reply. Until the reply is filed, the pleadings are not closed and plaintiff cannot invoke the provisions of Rule 12(c). **Of course, plaintiff filed a simultaneous motion to dismiss the counterclaim which, if successful, would have cured this defect.** The motion to dismiss, however, has been denied and the pleadings are therefore not at an end.”

In *Consolidated Rail Corporation v. The Penn Central Competition et. al.*, 582 F. Supp. 1540 (Special Court, Regional Rail Reorganization Act of 1973), the court did grant the Motion to Dismiss and then ruled on the Motion for Judgment on the Pleadings:

“Technically, F.R. Civ. P. 12(c) permits a motion for judgment on the pleadings ‘[only] after the pleadings are closed’. Although PC and MC argue that this precludes our granting Conrail's motion because answers have not yet been filed as regards the counterclaim brought by PC and MC, we think **its dismissal, see infra, cures any defect in the timing of Conrail's motion for judgment on its unrelated claim.** *Edelman v. Locker*, 6 F.R.D. 272, 274 (E.D. Pa. 1946) (dictum).” *Id.* at 1545, fn 3.

It has also been held that a court may dismiss an action on the pleadings sua sponte. In *Flora v. Home Federal Savings and Loan Assoc.*, 685 F.2d 209 (7<sup>th</sup> Cir. 1982), the court, after granting summary judgment on defendant's counterclaim, acted sua sponte to dismiss plaintiff's complaint on the pleadings. The court held that where one party is clearly entitled to judgment and both parties have had an opportunity to be heard, the trial court, in light of its right to substantially control the proceedings, did not abuse its discretion in deciding that there were no grounds in which to continue the litigation. Thus, there is ample authority for the Board to act even in a sua sponte manner to sustain the opposition and dismiss Applicant's counterclaim,

whereas here, Applicant has neither a viable application nor standing and damage to maintain the counterclaim.

None of the cases cited by Applicant override the longstanding application of Edelman and are equally distinguishable. None of Applicant's cases involve a situation where the counterclaim was, as here, subject to a motion to dismiss or a situation where the defendant completely consented to judgment against it, and admitted it had no standing or damage to continue with the counterclaim.

### **III. Applicant's Legal Admissions Prove Fraud**

In pages 4-9 of its Memorandum in Opposition, Applicant alleges that Opposer is not entitled to judgment on its fraud claim and then interposes an argument or a "cross-motion" for "cancellation of Opposer' fraud claim." It is not known whether the latter purports to be a Motion for Summary Judgment. If so, then it is premature under 37 C.F.R. § 2.127(e)(1) and Opposer respectfully requests sufficient time to properly respond in accordance with the rules.

The gist of Applicant's argument appears on page 9 where Applicant states:

"There can be no fraud, and it is impossible for Opposer to prove fraud, because nothing was **concealed** from the Examiner, and Examiner was or should have been put on notice that Applicant's mark functions as a certification mark."

For lack of better words, perhaps Applicant's position should be called the "Catch me if you can" defense after the blockbuster movie of a few years ago under the same title starring Leonardo diCaprio.<sup>1</sup> In this connection, Applicant is wrong on its key assertion. Contrary to its statement, Applicant did, in fact, **conceal** a very important fact from the United States Patent and Trademark Office, namely, Applicant **concealed** its true bona fide intent. Though stated under

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<sup>1</sup> In the movie, Mr. diCaprio was one step ahead of the FBI as he successfully conned various individuals into believing that he was a pilot, doctor, lawyer, and/or member of a number of other professions throughout his life.

the penalties of perjury, it is clear that Applicant always had the intent to **use** the mark as a certification mark, but, as now admitted, never as a bona fide trademark or service mark. It is absolutely imperative that the Examining Attorneys of the United States Patent and Trademark Office be permitted to rely on the declared averments under the penalties of perjury in any application. It is not within the province of the Examining Attorney to challenge, as here, a declarant's bona fide intention. If an applicant states it has a bona fide intent to use X as mark for Y, then absent extraordinary circumstances, the Examining Attorney should be permitted to rely on that representation. This policy permits the orderly examination and processing of applications. It now appears that Applicant is arguing that it is the USPTO's duty and only its duty to ferret and flush out an Applicant's true intentions, not for the Applicant to truthfully express his true intentions under the penalties of perjury. In essence, Applicant is clearly saying, "Catch me if you can, and if you don't, USPTO, then shame on you."

To hang its hat on the notion it was simply confused about the law because European law may differ from U.S. law is no defense. By its own admission, Applicant has been a certifying entity in Europe for many years, and that it had no bona fide intention to use the mark as a trade or service mark but always as a certification mark. The anti-use by owner rule is statutorily enshrined in U.S. law and is well developed by the case law. This is not a matter of a simple mistake in the classification of the mark as alleged by Applicant on page 6, but a deliberate and conscious act to do indirectly what it could not do directly, namely, garner the widest protection for its mark to which it would not otherwise be entitled. If Applicant's action in falsely declaring its bona fide intent, knowing all along what type of business it provided, is not fraud, then perhaps nothing would ever be considered fraud.

Applicant makes much to do that Opposer has failed to prove that Applicant made the representation with an intent to deceive. It further argues on page 4 that no inferences against

Applicant regarding these elements are allowed in the context of this motion. Applicant then cites to the decision in *Alcatraz Media, Inc. v. Chesapeake Marine Tours, Inc. d/b/a Watermark Cruises*, 107 USPQ 2d 1750 (TTAB 2013). However, that decision belies Applicant's own position. As noted by the Board:

Of course, 'because direct evidence of deceptive intent is rarely available, **such intent can be inferred from indirect and circumstantial evidence**. But such evidence must still be clear and convincing, and inferences drawn from lesser evidence cannot satisfy the deceptive intent requirement.'

\* \* \*

The involved conduct, viewed in light of all the evidence... must indicate sufficient culpability to require a finding of intent to deceive.

*Id.* at 1767; 1770.

What belies Applicant's position are the various admissions and representations it made following the filing of the Notice of Opposition. Thus, when the Notice of Opposition was first filed, Applicant was first alerted that it could not, on one hand, proclaim a bona fide intent to use a mark as a trade and service mark and, on the other hand, use it in the manner of a certification mark as now admitted. Yet, notwithstanding this notice (albeit insufficient pleading), Applicant continued to take the position in subsequent submissions that it had a bona fide intent to use the mark as a trade and service mark when, in reality, it always knew that it would be using it as a certification mark. Applicant took this position in numerous submissions.<sup>2</sup>

Even putting aside whether it was mistaken or not, Applicant continued the pattern of subterfuge all the way up until the very end where it had no choice but to admit to the truth that it

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<sup>2</sup> See e.g. Applicant's Motion to Dismiss filed February 24, 2012 at page 6-7. "Applicant's application is and has always been a regular application, not an application for a certification mark. There are no conflicting oaths . . ."; "MBFT offers no plausible scenario as to how or why IISG would knowingly, intentionally, and deceptively seek a registration for a regular trademark when it knew its mark was considered a certification mark under U.S. practice." Applicant's Motion to Dismiss as filed on November 28, 2011 at page 5.

was planning to use the mark in the manner of a certification mark and not as a trade and service mark. In other words, the notion that Applicant may have been mistaken might have had the semblance of some possible truth initially, but its actions since the opposition was filed, bely and destroy any such notion of a good faith mistake. The only inference is that Applicant intended to conceal its true intention, as evidenced not only by a false and concealed representation made to the Examining Attorney but by the various false and misleading representations that it has made in its various Motions to Dismiss.

#### **IV. Applicant's Motion for Sanctions is Moot**

On page 9 of its Memorandum in Opposition, Applicant “cross moves” for sanctions in that Opposer should be required to meet and confer, and then obtain leave from the Board before filing any further motions.

Applicant’s “cross-motion” again ignores the effect of its legal admissions. Assuming in good faith that the opposition will be sustained in Opposer’s favor, this opposition is concluded, and any such issue about future motions is therefore mooted.

If Opposer is in error, then it respectfully requests sufficient time to respond fully to Applicant’s Motion for Sanctions.

#### **V. Conclusion**

In view of the foregoing, Opposer respectfully requests that the opposition be sustained and that Opposer’s Motion to Dismiss the counterclaim be granted.



In view thereof, further action is respectfully solicited.

Respectfully submitted,

MICHAEL BRANDT FAMILY TRUST  
d/b/a ECO-SAFE OF DALLAS

Dated: September 26, 2013

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the OPPOSER'S REPLY BRIEF IN SUPPORT OF MOTION FOR JUDGMENT ON THE PLEADINGS has been served upon Applicant on this 26<sup>th</sup> day of September 2013, via e-mail and first class mail, postage prepaid, as identified below:

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/s/ Barth X. deRosa

Barth X. DeRosa